

Adopted	Rejected
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COMMITTEE REPORT

YES:	17
NO:	7

MR. SPEAKER:

*Your Committee on Ways and Means, to which was referred House Bill 1729, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 gaming.
- 4 Delete everything after the enacting clause and insert the following:
- 5 SECTION 1. IC 4-33-2-2 IS AMENDED TO READ AS FOLLOWS
- 6 [EFFECTIVE JULY 1, 2009]: Sec. 2. (a) "Adjusted gross receipts"
- 7 means:
- 8 (1) the total of all cash and property (including checks received
- 9 by a licensee or an operating agent) whether collected or not,
- 10 received by a licensee or an operating agent from gaming
- 11 operations; minus
- 12 (2) the total of:
- 13 (A) all cash paid out as winnings to patrons; and
- 14 (B) uncollectible gaming receivables, not to exceed the lesser

1 of:

- 2 (i) a reasonable provision for uncollectible patron checks
- 3 received from gaming operations; or
- 4 (ii) two percent (2%) of the total of all sums, including
- 5 checks, whether collected or not, less the amount paid out as
- 6 winnings to patrons.

7 For purposes of this section, a counter or personal check that is invalid
 8 or unenforceable under this article is considered cash received by the
 9 licensee or operating agent from gaming operations.

10 **(b) This subsection applies only to a distressed riverboat (as**
 11 **defined by IC 4-33-13-1.7). For purposes of determining the**
 12 **wagering tax liability of a distressed riverboat under**
 13 **IC 4-33-13-1.5, the term refers to the amount determined after**
 14 **making the deductions permitted under IC 4-33-13-1.7.**

15 SECTION 2. IC 4-33-13-1.7 IS ADDED TO THE INDIANA CODE
 16 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 17 1, 2009]: **Sec. 1.7. (a) As used in this section, "distressed riverboat"**
 18 **means a riverboat that:**

- 19 (1) is located not more than twenty-five (25) miles from a
- 20 competing casino located in another state; and
- 21 (2) has a gaming tax burden that is at least one hundred
- 22 percent (100%) greater than the gaming tax burden of the
- 23 competing casino.

24 **(b) As used in this section, "promotional allowance" refers to**
 25 **any amount expended by a distressed riverboat to permit a patron**
 26 **to:**

- 27 (1) make a complementary wager on a gambling game; or
- 28 (2) play a gambling game without consideration.

29 **The term does not include any amount expended to provide a**
 30 **patron with complementary lodging, meals, or merchandise.**

31 **(c) For purposes of this section, the gaming tax burden of an**
 32 **Indiana riverboat is equal to the quotient of:**

- 33 (1) the total amount of taxes remitted by the riverboat under
- 34 IC 4-33-12 and this chapter in the state fiscal year ending
- 35 June 30, 2008; divided by
- 36 (2) the total amount of adjusted gross receipts (as determined
- 37 without regard for this section) reported by the riverboat for
- 38 the state fiscal year ending June 30, 2008.

(d) For purposes of this section, the gaming tax burden of an out-of-state competing casino is either:

(1) an amount determined under a calculation substantially similar to the calculation described in subsection (b); or

(2) the quotient of:

(A) the casino's total amount of payments made in 2008 to state and local governments under a compact entered into under the Indian Gaming Regulatory Act; divided by

(B) the casino's total adjusted gross receipts or a comparable amount determined for 2008 under the law of the state in which the casino is located;

whichever is appropriate.

(e) For purposes of determining a distressed riverboat's wagering tax liability under section 1.5 of this chapter, a distressed riverboat may deduct from the distressed riverboat's adjusted gross receipts (as determined without regard to this section) an amount expended by the distressed riverboat as a promotional allowance. The maximum amount that a distressed riverboat may deduct under this section for a state fiscal year is as follows:

(1) Fifteen million dollars (\$15,000,000) for a state fiscal year beginning after June 30, 2009, and ending before July 1, 2010.

(2) Twelve million dollars (\$12,000,000) for a state fiscal year beginning after June 30, 2010, and ending before July 1, 2011.

(3) Nine million dollars (\$9,000,000) for a state fiscal year beginning after June 30, 2011, and ending before July 1, 2012.

(4) Six million dollars (\$6,000,000) for a state fiscal year beginning after June 30, 2012, and ending before July 1, 2013.

(5) Three million dollars (\$3,000,000) for a state fiscal year beginning after June 30, 2013, and ending before July 1, 2014.

(6) Zero dollars (\$0) for a state fiscal year beginning after June 30, 2014.

SECTION 3. IC 4-35-8-1, AS ADDED BY P.L.233-2007, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 1. (a) This subsection applies to a state fiscal year beginning after June 30, 2009, and ending before July 1, 2014. A graduated slot machine wagering tax is imposed as follows on the adjusted gross receipts received from wagering on gambling games authorized by this article:

(1) Twenty percent (20%) of the first one hundred million dollars (\$100,000,000) of adjusted gross receipts received during the period beginning July 1 of each year and ending June 30 of the following year.

(2) Twenty-five percent (25%) of the adjusted gross receipts in excess of one hundred million dollars (\$100,000,000) but not exceeding two hundred million dollars (\$200,000,000) received during the period beginning July 1 of each year and ending June 30 of the following year.

(3) Thirty percent (30%) of the adjusted gross receipts in excess of two hundred million dollars (\$200,000,000) received during the period beginning July 1 of each year and ending June 30 of the following year.

(b) This subsection applies to a state fiscal year beginning after June 30, 2014. A graduated slot machine wagering tax is imposed as follows on the adjusted gross receipts received from wagering on gambling games authorized by this article:

(1) Twenty-five percent (25%) of the first one hundred million dollars (\$100,000,000) of adjusted gross receipts received during the period beginning July 1 of each year and ending June 30 of the following year.

(2) Thirty percent (30%) of the adjusted gross receipts in excess of one hundred million dollars (\$100,000,000) but not exceeding two hundred million dollars (\$200,000,000) received during the period beginning July 1 of each year and ending June 30 of the following year.

(3) Thirty-five percent (35%) of the adjusted gross receipts in excess of two hundred million dollars (\$200,000,000) received during the period beginning July 1 of each year and ending June 30 of the following year.

~~(b)~~ (c) A licensee shall remit the tax imposed by this section to the department before the close of the business day following the day the wagers are made.

~~(c)~~ (d) The department may require payment under this section to be made by electronic funds transfer (as defined in IC 4-8.1-2-7(f)).

~~(d)~~ (e) If the department requires taxes to be remitted under this chapter through electronic funds transfer, the department may allow the licensee to file a monthly report to reconcile the amounts remitted to

- 1 the department.
- 2 ~~(e)~~ **(f)** The payment of the tax under this section must be on a form
- 3 prescribed by the department.
(Reference is to HB 1729 as introduced.)

and when so amended that said bill do pass.

Representative Crawford